

# Simple Financial Solutions

## PART 2 OF FORM ADV – BROCHURE

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This Brochure provides information about the qualifications and business practices of Simple Financial Solutions, LLC. If you have any questions about the contents of this Brochure, please contact John Prizer at (407) 740-5350. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Simple Financial Solutions, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Advisor is 150380.

Registration with the SEC and other state securities authorities as a registered investment adviser does not imply a certain level of skill or training.

## **Item 2: Material Changes**

Under the Amendments to the Form ADV that was published by the SEC on July 28, 2010, Simple Financial Solutions may provide you with this summary of Material Changes detailing any material changes that we made to our Brochure since the last annual update, in lieu of sending a full copy of our Brochure to all our clients.

SFS Fees will change effective January 1, 2018. See Item 5, page 5.

### ***Additional Information***

Currently our brochure may be requested by contacting us at (407) 740-5350.

Additional information about us is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.

### **Item 3: Table of Contents**

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#### **Item 4: Advisory Business**

Simple Financial Solutions, LLC (herein after; SFS, Advisor, we or us) was formed in 2009. The firm's sole owner, practicing professional and employee is John M. Prizer, Jr. Mr. Prizer provides all services to clients. SFS is independent, fee-only, does not sell products, does not accept commissions and does not receive any form of compensation from any source other than directly from clients.

##### ***Services***

SFS provides financial planning and investment advisory services either as on-going advisory services or one time projects. On-going investment advisory services are generally provided on a discretionary basis. No implementation assistance is provided for project planning; Client has responsibility to implement all recommendations, including investment trades. SFS does not manage accounts on a non-discretionary basis. All clients must enter into a written agreement with SFS setting forth the terms of these services.

##### ***Investment Advisory Services***

SFS will assist Client in developing an investment policy. SFS will manage the assets under management (defined in the advisory agreement) in accordance with this investment policy. SFS may provide financial planning advice. This advice is primarily for the purpose of making investment decisions that are consistent with Client's financial objectives. SFS is not providing comprehensive financial planning services. Client may request financial advice outside the scope of this agreement. SFS may charge additional fees for providing such advice. It is SFS's responsibility to notify Client in writing before such service is provided if any additional fees will be due.

SFS will assist client in opening accounts at Charles Schwab & Co., transferring accounts and setting up structures consistent with the plan. SFS will generally place all trades in the accounts under management pursuant to a limited power of attorney. See further discussion of discretionary trading in item 16.

##### ***Planning Projects***

Planning Projects are one-time and are not on-going services. SFS has no continuous on-going responsibility after a project has been completed. Projects may be completed in a few days or they may continue for several months. The length of the service is not agreed to in advance and depends on scheduling, Client's responsiveness in providing information and Client's decision making. Projects conclude with the delivery of a document setting forth the recommendations and decisions made. SFS and Client may have a continuing agreement for periodic project updates but no continuous services are provided between updates.

Projects may include either financial planning, investment planning or both. It is the client's responsibility to implement all elements of the plan.

##### ***Assets Under Management***

As of December 31, 2016, SFS managed \$133,500,000 on a discretionary basis.

## **Item 5: Fees and Compensation**

All fees paid to SFS are separate from and in addition to fees and expenses related to financial products and services SFS may recommend. SFS believes that minimizing cost is very important in maximizing net results. Lower fees for comparable services may be available from other sources. Client should carefully consider the aggregate of all costs when considering any financial product or service. It is important to compare both the detailed services offered and fees in making a decision.

### ***Investment Advisory Services***

Investment Advisory Services are currently subject to a flat annual fee of \$4,000. Specific engagements may be subject to higher fees. All fees are agreed to in advance.

Fees are payable in arrears. Clients will pay by check. No fees to Advisor are deducted from client accounts.

Effective January 1, 2018, SFS will charge an annual fee of:

- 0.25% on the first \$2 million
- 0.05% above \$2 million

The fee will be calculated based on the ending value of assets under management as of the preceding calendar year. The annual fee will be rounded down to the next lower \$200. For example, if the calculated fee was \$5,937, the fee would be rounded down to \$5,800 so that the semi-annual payments would be even \$2,900 payments rather than \$2,968.50. The annual fee will be subject to a minimum of \$5,000.

### ***Planning Projects***

Fees for planning projects generally range between \$1,500 and \$3,500. Plan update fees generally range between \$1,000 and \$2,000. Fees may be higher or lower and are agreed to in advance. Clients will pay by check at the conclusion of the engagement when the project summary document is delivered. No fees to Advisor are deducted from client accounts.

### ***Other Investment Cost Information***

Investment costs relate to all services in which investment recommendations are made. These are in addition to SFS fees.

Mutual funds and ETFs charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. Mutual fund expenses are described in each fund's prospectus. In addition, mutual funds incur transaction costs and market impact costs, which are not disclosed in the fund's prospectus or Statement of Additional Information.

Clients may incur transaction fees or commissions in connection with trading of mutual funds, ETFs, individual stock and bonds (and/or principal mark-ups and mark-downs for principal trades), which are charged by the custodian (brokerage firm holding safekeeping of the client's assets for safekeeping). For a discussion of our practice in recommending brokers (custodians) to our clients and negotiating brokerage fees on their behalf, please see Item 12.

Clients may also incur “account termination fees” upon the transfer of an account from one brokerage firm (custodian) to another. Clients should contact their custodians (brokerage firm, insurance company, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from their accounts for any existing accounts which may be transferred.

### ***Financial Plan Implementation Cost Information***

Implementation of financial plan recommendations may involve fees and commissions from separate parties and are not included in the SFS fees. These separately billed charges could include commissions for insurance policies, accountant and attorney fees, brokerage fees, mutual fund fees, etc.

### ***Other Fee Information***

Clients of SFS may cancel any agreement at any time without penalty. If the agreement is cancelled more than five days after it is executed, Advisor will render a bill for services provided but not billed.

Fees may be negotiated or waived in certain circumstances. SFS provides advisory services to Mr. Prizer’s family at no charge.

Any fees paid but unearned are returned upon termination.

Fees are pro-rated on a monthly basis. Any part of a month is considered an entire month.

A client could invest in mutual funds directly, without the services of SFS. However, some institutional funds are not available to the client directly.

### **Item 6: Performance-Based Fees and Side-by-Side Management**

Side-by-side management occurs when an investment adviser manages both performance- based fee accounts and nonperformance based fee accounts at the same time. Side-by-side management can result in conflicts of interest because there is an incentive to direct clients to performance-based fee accounts because the firm will, most likely, receive more fees.

However, because we do not charge performance fees, we do not engage in side-by-side management and have no conflicts of interest relevant to side-by-side management.

### **Item 7: Types of Clients**

Typical clients are high income and high net worth individuals and families. No financial conditions are applied to clients. However, clients should carefully consider the cost effectiveness of our services relative to their financial resources.

### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

#### ***Methods of Analysis***

To analyze investments for your account, we use proprietary asset allocation information from Dimensional Fund Advisors (DFA) in Santa Monica, California. We also obtain information from a number of sources, both public and by purchase, including financial newspapers and magazines, research materials prepared by third-parties (such as Morningstar), corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. We believe these resources for

information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information

### ***Investment Strategies***

We use a variety of investment strategies depending on your circumstances, financial objectives and needs. Investments made in portfolios are predominantly long-term, and the frequency of trading is limited in order to keep costs low and taxable gains to a minimum. All managed portfolios are monitored using Portfolio Center. Accounts are reviewed periodically and trades are placed or recommended to rebalance portfolios, to generate cash for client spending requirements, invest income and additions or alter portfolio allocations for changing circumstances. Most trades are entered into the trading platform, which allows for electronic submission of trades. Some trades may be placed by phone. All required records are retained.

### ***Risk of Loss***

We develop a long-term asset allocation strategy consistent with investment goals, objectives and risk tolerance. We believe that markets are in no way predictable over short periods of time and make no attempt to forecast short-term market movement or adjust portfolios based on short-term market forecasts of any kind. We believe in being fully invested all the time and clients should expect to bear losses when the markets to which they are allocated decline.

In implementing this long-term strategy, we predominantly use low cost, no-load open-end mutual funds and exchange traded funds (ETFs). We may occasionally use individual securities to implement a strategy.

We offer advice about a wide variety of investment types, including mutual funds, index funds and ETFs, each having different types and levels of risk. We will discuss these risks in determining the investment objectives that will guide our investment advice. We will explain and answer any questions about these kinds of investments.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

While we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you will achieve your investment objectives. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

For any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. However, we only recommend and invest in funds that are “no load” funds, which are funds in which the investor does not pay a sales fee or commission. You may purchase many mutual funds directly, without using our services and without incurring our advisory

fees. However, we recommend a number of funds and have access to institutional shares that are not available to the general public.

#### **Item 9: Disciplinary Information**

Advisor and principal have no disciplinary events of any kind.

#### **Item 10: Other Financial Industry Activities and Affiliations**

Advisor does not have any other financial industry activities or affiliations that are material to our relationship with clients or that could create conflicts of interest with clients.

#### **Item 11: Code of Ethics**

##### ***Our Code of Ethics***

We adhere to both the CFP® and CFA Codes of Ethics. We will provide a copy of these Codes of Ethics to any client or prospective client upon request.

##### ***Participation or Interest in Client Transactions and Personal Trading***

Advisor does not have a material financial interest in any security.

Individuals associated with the firm buy or sell securities for their personal accounts identical to those recommended to clients. Advisor monitors trading of individuals associated with the firm to ensure that such trading is sufficiently separated from client trading so that each has no material impact on the other. Advisor prohibits individuals associated with the firm from trading on material non-public information.

#### **Item 12: Brokerage Practices**

##### ***Directed Brokerage & Soft Dollars***

We have established a brokerage relationship with Charles Schwab & Co., Inc., (“Schwab”) for custodian and brokerage services. Schwab does not charge your accounts a separate custodial fee, but instead charges commissions and other transaction-related fees for securities trades that are executed through them.

We are independently owned and operated and are not affiliated with Schwab. We do not receive remuneration from any broker including Schwab.

In recommending Schwab, we considered our confidence in the firm, competitive rates for transactions, trade execution, availability of no-load, no transaction fee mutual funds, and other investments that are otherwise generally available only to institutional investors or to accounts with a significantly higher minimum initial investment, website features, and their custodial services.

Schwab offers us other products and services that assist us in managing and administering clients’ accounts, but may not directly benefit your accounts. We may use many of these products and services to service all or some substantial number of our client accounts.

These products and services include software and other technology that (1) provide us access to client account data, such as trade confirmations and account statements; (2) facilitate trade execution; (3)



provide research, pricing and other market data; and (4) assist with back-office functions, recordkeeping and client reporting.

As a result of these additional services, you may pay commissions in excess of those which the broker, or another broker, may charge for transactional services alone. We, however, must determine in good faith that the amount of any commission paid is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to our accounts. We must also determine that any services we receive provide lawful and appropriate assistance in our investment decision-making responsibilities. We use the research and other services provided by Schwab for the benefit of all clients.

Unless directed otherwise, we seek to negotiate commissions, mark-ups, and other brokerage fees to ensure a reasonable rate based on multiple factors including execution prices which we review periodically to determine their reasonableness. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. You should be aware that the receipt of economic benefits by us or our personnel in and of itself creates a potential conflict of interest and may indirectly influence our choice to recommend Schwab for custody and brokerage services.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, such as committing to place a specific level of brokerage with a specific firm in return for which the brokerage firm will pay for various research related products or services for us that are generally available for cash purchase.

### ***Schwab Adviser Services™***

Schwab offers independent investment advisory firms like us support products and services, such as institutional trading and custodial services, through their program Schwab Adviser Services™. To receive these services, we must maintain a total of at least \$10 million of our clients' assets in accounts at Schwab. These services are generally available to independent investment advisors on an unsolicited basis, at no charge, so long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab. Therefore, these services are contingent upon us committing a specific amount of business, assets in custody, to Schwab.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include compliance, legal and business consulting, publications and conferences on practice management and business succession and access to employee benefits providers, human capital consultants and insurance providers. Schwab may also provide other benefits to us, such as educational events or occasional business entertainment of our personnel.

### ***Trade Error Policy***

A trade made in error is one made mistakenly or unintentionally. In the event an error is made, of whatever nature, in the trading of a client account, we will take steps to correct the error as soon as practicable. Trade errors may be corrected through a trade error account at Schwab or by making correcting transactions in the client's account. Regardless of the nature of the error or the means by which it is corrected, if a trade error occurs in your account, you will be reimbursed any and all costs that may result from the errant trade. It is our intention that you should not be harmed from trades erroneously made on your behalf.

### **Item 13: Review of Accounts**

Investment Advisory accounts are reviewed at least quarterly. Other factors may trigger additional reviews, such as substantial changes in the market price of stocks and bonds, changes in objectives or portfolio changes that would impact all accounts.

Project accounts are reviewed only at periodic reviews as agreed with Client.

We do not provide regular portfolio reports to clients. Charles Schwab provides statements, detailing the transactions and balances at least quarterly. We urge you to review your statements carefully.

### **Item 14: Client Referrals and Other Compensation**

Advisor does not provide or accept compensation to or from any person for client referrals. Referrals to other professionals such as CPAs and estate planning attorneys may be provided where appropriate to meet the client's needs.

### **Item 15: Custody**

We do not custody client assets of any kind.

### **Item 16: Investment Discretion**

Advisor will only manage client assets on a discretionary basis. We generally receive discretionary authority in writing from clients at the outset of an advisory relationship in the investment advisory agreement. If you choose to give us discretionary authority, you grant us the ability to determine, without obtaining your specific consent, the securities to purchase or sell for your portfolio and the amount of securities to purchase or sell and in most cases, the broker or dealer to use.

We exercise our discretion consistent with your stated investment objectives for the account and by considering the size of your account and your risk tolerance when selecting securities and determining amounts. You will also sign an agreement with Charles Schwab which includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but not direct the assets outside of the account.

You may provide us with authorization to transfer funds among your accounts. This may include transferring funds to accounts outside of Schwab. Such authorizations are limited to accounts in your name. Advisor will not accept authorizations to transfer funds to accounts not in your name as such authority could be considered custody of client assets. See item 15.

### **Item 17: Voting Client Securities**

We do not exercise proxy-voting authority over securities held in our clients' accounts. We do not receive any proxy voting materials on behalf of any clients. All proxy materials are sent directly to the client by the custodian. Clients are responsible for voting proxies of securities held in their investment portfolios at their own expense. Clients may contact SFS with any questions about a mutual fund proxy solicitation at the address on the cover page.

### **Item 18: Financial Information**

We do not require the prepayment of any fees. Clients may pre-pay fees if they prefer for tax or other purposes. Because we meet this condition, we are not required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. However, Advisor does not currently possess such a financial condition, nor have we been subject to a bankruptcy proceeding.

#### ***Privacy Policy***

Simple Financial Solutions has always taken care to protect and safeguard information we gather about our clients. We are required to give you this notice concerning our privacy policy annually.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms; and
- Information about your transactions with us or others. We do not sell your personal information to anyone.

We do not disclose any nonpublic personal information about you to third parties, unless one of the following limited exceptions applies or you have specifically asked us to do so:

- We disclose personal information to companies that help us process or service your transactions or account(s) (such as Charles Schwab and Company or others as applicable).
- We may disclose or report personal information in limited circumstances where we believe in good faith that disclosure is required or permitted under law, for example, to cooperate with regulators or law enforcement authorities.

Simple Financial Solutions maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

If you should ever decide to close your account(s) or become an inactive client, we will continue to adhere to the privacy policies and practices as described in this notice.

Should you have any questions about the privacy and protection of your records, please contact us and we will be happy to discuss this matter with you.

#### ***Continuity and Succession Planning***

SFS employs only one person, John M. Prizer, Jr. Mr. Prizer performs all services for Clients. In the event of Mr. Prizer's temporary incapacity, Clients may contact Charles Schwab directly for service on their accounts. Schwab Alliance is a team dedicated to the service of clients of advisors and may be reached at (800) 515-2157 or at [www.SchwabAlliance.com](http://www.SchwabAlliance.com).

In the event of Mr. Prizer's death, retirement or permanent incapacity, Clients will need to assume management of their portfolios or hire another advisor to assume those duties.

Portfolios are managed on a passive, long-term buy and hold basis. In the event of Prizer's unavailability to provide services, nothing needs to happen immediately. Client accounts will not change and clients

may find a suitable replacement at their leisure. Charles Schwab offers services Clients may use temporarily until a replacement advisor is selected. These services may also be used permanently.

SFS has no plans to continue operations when Mr. Prizer stops providing service for any reason including death, permanent incapacity or retirement. Mr. Prizer intends to work until age 80 in the year 2040, however Prizer could die, retire or become incapacitated at any time. Clients assume the risk of having to suddenly make other arrangements for the management of their portfolio at any time without warning.